PART IV

SECTION—1-B

CENTRAL ACTS AND ORDINANCES

LAW AND PARLIAMENTARY AFFAIRS SECRETARIAT

Notification No. LAW 71 LCA 75.

Bangalore, dated 15th September 1975.

Ordered that the Agricultural Refinance Corporation (Amendment) Act, 1975 (45 of 1975) published in Part II, Section 1 of the Gazette of India Extraordinary dated 7th August 1975 be republished in the *Karnataka Gazette* for general information.

By Order and in the name of the Governor of Karnataka,

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B. NAGESHA RAO,
Under Secretary to Government,
Dept. of Law and Parliamentary Affairs.

Assented to on 7th August 1975 Act No. 45 of 1975

THE AGRICULTURAL REFINANCE CORPORATION (AMENDMENT) ACT, 1975

AN

ACT

further to amend the Agricultural Refinance Corporation Act, 1963.

BE it enacted by Parliament in the Twenty sixth Year of the Republic of India as follows :—

1. Short title and commencement.—(1) This Act may be called the Agricultural Refinance Corporation (Amendment) Act, 1975

(2) It shall come into force on such date as the Central Government may, by notification in the Official Gazette, appoint

2. **Amendment of section 1.**—(1) In section 1 of the Agricultural Refinance Corporation Act, 1963 (10 of 1963) (hereinafter referred to as the principal Act), in sub-section (1), after the word "Refinance", the words "and Development" shall be inserted.

(2) Any reference to the Agricultural Refinance Corporation Act, 1963, (10 of 1963) in any other law for the time being in force, or in any instrument or other document, shall be construed as a reference to the Agricultural Refinance and Development Corporation Act, 1963

3. **Amendment of section 2.**—In section 2 of the principal Act,—

(*i*) for the clause (*c*), the following clause shall be substituted, namely :—

> (*c*) "central land development bank" means the principal land development bank in a State (by whatever name called),

which is registered or deemed to be registered, under the Co-operative Socities Act, 1912, (2 of 1912). or any other law for the time being in force in any State relating to co-operative societies and the primary object of which is providing of long-term finance for agricultural development.

Provided that, in addition to such principal land development bank in a State, or where there is no such bank in a State, the Government may, with the previous approval of the Reserve Bank, declare any co-operative society carrying on business in that State and authorised by the bye-laws of such co-operative society to provide long-term finance for agricultural development) to be a central land development bank within the meaning of this Act;, ;

(*ii*) in clause (*e*), after the word "Refinance", the words "and Development" shall be inserted;

(*iii*) in clause (*f*) ,—

(*a*) in sub-clause (*i*),—

(1) for the words "central land mortgage bank" the words "central land development bank" shall be, substituted,

(2) the word "and" occuring at the end, shall be omitted;

(*b*) in sub-clause (ii), for the words "central land mortgage bank", the words "central land development bank" shall be substited ;

(*c*) after sub-clause (iii), the following sub-clause shall be inserted, namely :—

"(*iv*) such other institution as may, on the recommendation of the Reserve Bank, be approved by the Central Government in this behalf;".

4. Amendment of heading to Chapter II.—In Chapter II of the principal Act, in the heading, after the word "REFINANCE" the words "AND DEVELOPMENT" shall be inserted,

5. Insertion of new section 3A.—After section 3 of the principal Act, the following section shall be inserted, namely :—

"**3A. Change of name "Agricultural Refinance Corporation".**—(1) On the commencement of the Agricultural Refinance Corporation (Amendment) Act, 1975, the Corporation established under section 3 and known as the Agricultural Refinance Corporation shall be renamed as the Agricultural Refinance and Development Corporation.

(2) The change of name of Agricultural Refinance Corporation by sub-section (1) shall not—

(*a*) affect any right or obligation of that Corporation subsisting immediately before the commencement of

the Agricultural Refinance Corporation (Amendment) Act, 1975;

(b) render defective any suit or other legal proceeding pending, immediately before such commencement, by or against that Corporation in its former name; and

(c) affect the institution, continuation or commencement of any suit or other legal proceeding which could have been instituted, continued or commenced, by or against that Corporation in its former name before such commencement.".

6. **Amendment of section 4.**—In section 4 of the principal Act, for the words "in other places in India", the words "anywhere in India" shall be substituted.

7. **Amendment of section 5.**—In section 5 of the principal Act,—

(i) in sub-section (2), in clause (b), for the words "central land mortgage banks", the words "central land development banks" shall be substituted;

(ii) in sub-section (5), after the words "the remaining shares", the words, brackets and figure "referred to in sub-section (1)" shall be inserted;

(iii) after sub-section (5), the following sub-sections shall be inserted, namely:—

"(5*A*) Notwithstanding anything contained in sub-section (1), on the commencement of the Agricultural Refinance Corporation (Amendment) Act, 1975, the Reserve Bank may, with the previous approval of the Central Government, increase the authorised capital of the Corporation up to one hundred crores of rupees, such further capital also being divided into fully paid-up shares of ten thousand rupees each

"(5*AA*) Notwithstanding anything contained in sub-section 5), out of the further capital issued pursuant to the increase of the authorised capital under sub-section

(5A), the Reserve Bank shall, and the institutions mentioned in clauses (b) and (c) of sub-section (2) may, subscribe for such shares in such manner and in such proportion, as may be prescribed.

(*5AB*) The Reserve Bank shall not at any time, hold less than fifty per cent of the further capital of the Corporation which is issued pursuant to the increase of the authorised capital under sub-section (*5A*).

(*5AC*) The allotment of shares, issued pursuant to the increase of the authorised capital under sub-section (5A), shall be made by the Board in accordance with the regulations made in this behalf and if any such shares remain unallotted, they shall be subscribed for by the Reserve Bank:

Provided that the Reserve Bank may dispose of such shares to any institution mentioned in clause (b) or clause (c) of sub-section (2):

Provided further that no such disposal shall be made, if, as a result of such disposal, the shares held by the Reserve Bank in the further capital of Corporation, issued pursuant to the increase of the authorised capital under sub-section (5A), will fall below fifty per cent. of such further capital.".

8. Amendment of section 7.—In section 7 of the principal Act, for the words "Banking Companies Act," the words "Banking Regulation Act" shall be substituted.

9. Amendment of section 10.—In section 10 of the principal Act, clause (*a*), for the words "central land mortgage banks", the words "central land development banks" shall be substituted.

10. Amendment of section 17.—In section 17 of the principal Act, in sub-section (*3*), after the words "as it may decide", the words "and every committee so consti-

tuted shall discharge such functions as may be prescribed or may be delegated to it by the Board" shall be inserted.

11. Amendment of section 20.—In section 20 of the principal Act, in sub-section (*1*),—

(*a*) in clause (*c*), the word "and", occurring at the end, shall be omitted;

(*b*) in clause (*d*), for the words "a central land mortgage bank", the words "a central land development bank" shall be substituted; and the word "and" shall be inserted at the end;

(*c*) after clause (*d*), the following clause shall be inserted, namely :—

"(*e*) receive gifts, grants, donations or benefactions from Government or any other source and such gifts, grants, donations or benefactions shall not be treated as the income, profits and gains of the Corporation."

12. Amendment of section 22.—In section 22 of the principal Act,—

(*a*) in sub-section (3),—

(i) in cluase (b), after the words, brackets and figures "in sub-clause (*ii*)", the words brackets and figures, "or sub-clause (*iv*)", shall be inserted;

(*ii*) for clause (*c*) and the proviso thereto, the following clause shall be substituted, namely :—

"(*c*) the purchasing of or subscribing to the bonds or debentures of any eligible institution, repayable within a period not exceeding twenty-five years from the dates on which they are issued and the selling of of such bonds or debentures;"

(*iii*) in clause (*d*),—

(*1*) the words "from outside India" shall be omitted,

(*2*) in sub-clause (*i*), after the words, brcakets and figures "in sub-clause (*ii*)" the words, brackets and figures, "or sub-clause (*iv*)." shall be inserted;

(*iv*) in clause (*e*), for the words "or debentures subscribed for or to be subscribed for, by such Governments and", the words "or bonds or debentures purchased or subscribed for, or to be purchased or subscribed for, by; such Government," shall be substituted ;

(*v*) after clause (e), the following clause shall be inserted, namely :—

"(*ea*) undertaking researches, surveys and techno-economic studies on its own, or through an agency approved by the Corporation in this behalf, where in the opinion of the Corporation, doing so may facilitate the exercise by the Corporation of its powers and functions or the discharge of its duties; and";

(*b*) in sub-section (4), in the first proviso, in clause (ii), after the words "guarantee is necessary", the words "in respect of an eligible institution or any class of eligible institutions or having regard to the nature and scope of the scheme or schemes for which such accommodation is granted by the Corporation" shall be inserted ;

(*c*) in sub-section (5), the words "or for the purpose of providing working capital" shall be omitted.

13. Omission of section 23.—Section 23 of the principal Act shall be omitted.

14. Amendment of section 30.—In section 30 of the principal Act.—

(*i*) in sub-section (1) for the words "by an auditor duly qualified to act as auditor", the words "by one or more auditors duly qualified to act as auditor or auditors of companies" shall be substituted.

(*ii*) in sub-section (2), in sub-section (3) and in sub-section (4), for the words "The auditor" the words "Every auditor" shall be substituted ;

(*iii*) in sub-section (5),—

(*a*) for the words "The auditor", the words "The auditor or auditors" shall be substituted;

(*b*) for the words "accounts examined by him and in every such report he shall state whether in his opinion" the words "accounts examined by him or them, as the case may be, and in every such report he or they shall state whether in his or their opinion" shall be substituted;

(*c*) for the words "in case he had called for any explanation", the words "in case he or they had called for any explanation" shall be substituted.

15. Amendment of Section 46.—In section 46 of the principal Act,—

(*i*) in sub-section (2), after clause (*a*), the following clause shall be inserted, namely :—

"(*aa*) the manner in which and the proportion in which the shares of the Corporation shall, or may, be subscribed for after the authorised capital of the Corporation has been increased beyond twenty-five crores of rupees;";

(*ii*) for sub-section (5), the following sub-section shal be substituted, namely :—

"(5) Every regulation made under this section shall be laid, as soon as may be after it is made, before each House of Parliament, while it is in session, for a total period of thirty days which may be comprised in one session or in two or more successive sessions, and if, before the expiry of the session immediately following the session or the successive sessions aforesaid, both Houses agree in making any modification in the regulation or both Houses agree that the regulation should not be made, the regulation shall thereafter have effect only in such modified form or be of no effect, as the case may be; so, however, that any such modification or annulment shall be without prejudice to the validity of anything previously done under that regulation".